



U.S. Department of Justice

***United States Attorney
Eastern District of Arkansas***

FOR IMMEDIATE RELEASE

April 22, 2009

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CORRECTED

**FORMER CHAIRMAN OF BANK BOARD PLEADS GUILTY TO
FILING FALSE INCOME TAX RETURN**

LITTLE ROCK – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, announced that Richard Turner Smith pled guilty today before Judge G. Thomas Eisele to one count of filing a false income tax return on April 9, 2001.

Smith was indicted in September 2006 on three counts of filing false income tax returns and one count of defrauding the Federal Deposit Insurance Corporation as Chairman of the Board of the Bank of Salem. The investigation began after the death of David Howell disclosed an investment scheme originated by Howell that involved millions of dollars.

Smith pled guilty to intentionally not disclosing to the IRS on his 2000 tax return that he received monies from Howell in 2000 that he did not report as income. This income included fees received from Howell for recruiting people to invest with Howell, and interest Smith made on investments with Howell. Howell's scheme promised returns of 20% to 40% to investors within six months.

At the time of the offense, Smith was Chairman of the Board of the Bank of Salem and the Stephens Security Bank.

This investigation was conducted by the Little Rock Field Office of the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation Division.

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